

**Verizon New England Inc.  
d/b/a Verizon Massachusetts**

**Commonwealth of Massachusetts**

**D.T.E. 03-60**

**Respondent:** Eugene J. Goldrick  
**Title:** Senior Staff Consultant – Service  
Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-1 Please refer to the Company's Initial Panel Testimony dated November 14, 2003 by Verizon witnesses Goldrick, Gray, Langstine, Maguire, McLaughlin, Meacham, and Nawrocki regarding hot cuts ("Hot Cut Testimony"). Beginning on page 50, the Company refers to a new personnel survey used to create the work times for the NMC, Central Office Frame, and the RCCC. Please provide the hot cut experience of each individual survey respondent, including the work location, total service time, and time on the job.

**REPLY:** Experience data was collected in the surveys that are contained in voluminous files that are available for review. In an effort to make this review easier, Verizon MA will provide this information in a Supplemental Reply on a CD, which will contain scanned copies of each completed survey.

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**Respondent:** Eugene J. Goldrick  
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Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-2 How many survey respondents participated in recent Company work force reductions? Please also quantify the decrease (if any) of the recent work force reduction on the survey respondents' next two levels of supervision.

**REPLY:** Verizon has not tracked the requested information, and therefore, the data is not available without an unduly burdensome special study of every individual in each work center responding to the surveys.

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**Respondent:** Eugene J. Goldrick  
**Title:** Senior Staff Consultant – Service  
Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-3 Referring to page 52 of the Hot Cut Testimony, why did blank or incorrectly populated survey forms get past the initial review?

**REPLY:** Blank or incorrectly populated forms did not “get past” an initial review. The process was intended to allow a single point of contact to collect these forms without attempting to have the forms completed or corrected, but instead to forward them to the Verizon Service Costs group as they were. It is precisely these types of situations that the Service Costs Analyst was responsible for identifying. It was the Service Costs Analysts’ determination that the forms should be excluded from the sample.

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**Respondent:** Eugene J. Goldrick  
**Title:** Senior Staff Consultant – Service  
Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-4 Please provide the frequency distribution described on line 9, page 52 of the Hot Cut Testimony.

**REPLY:** The attached EXCEL spreadsheet contains a database of orders used to develop the trimmed mean work times. In the file, the data for each order is replicated by a multiple equal to the number of lines on the order.

Due to the voluminous nature of the document, the Company has only provided a copy to the Department. An electronic copy is being made available to other parties.



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hotcut\_database\_exp

**Verizon New England Inc.  
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**D.T.E. 03-60**

**Respondent:** Eugene J. Goldrick  
**Title:** Senior Staff Consultant – Service  
Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-5 On page 53, line 12 of the Hot Cut Testimony, why were field managers surveyed for frequency rather than the personnel who determined the work times?

**REPLY:** Managers with knowledge of overall work processes and future plans provided frequency estimates. Personnel who determined work times did not have this expertise.

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**Respondent:** Eugene J. Goldrick  
**Title:** Senior Staff Consultant – Service  
Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-6 Was a “trimmed mean” used for the occurrence factor referenced on page 53 of the Hot Cut Testimony? If not, please explain why it was appropriate for the work time but not for the occurrence factor.

**REPLY:** No. Occurrence factors were the result of a poll conducted as described on page 53, and as such, they were not statistically suited to a trimmed mean analysis. Each occurrence factor was based on a consensus of opinion. Therefore, no range of data was available for a trimmed mean analysis.

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**D.T.E. 03-60**

**Respondent:** Bruce F. Meacham

**Title:** Group Manager – Service Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-7 Please provide the detailed backup and workpapers for the FLAF calculations referenced on page 53 of the Hot Cut Testimony. Please provide a narrative explaining the rationale for each step.

**REPLY:** See attached, which identifies and explains FLAF calculations where values are >0% and <100% is attached:



"AG 2-7  
ATTACHMENT.xls"

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**D.T.E. 03-60**

**Respondent:** Bruce F. Meacham

**Title:** Group Manager – Service Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-8 Please provide a detailed description of all instances where Service Cost personnel “applied an even more aggressive FLAF to account for likely improvements which would result from other factors” as noted on Page 54, lines 20-22 of the Hot Cut Testimony. Please also provide the rationale as well as the calculations for each instance.

**REPLY:** See reply to AG Set 2-7 above. Explanations “B” and “C” reflect the cases where Service Costs personnel applied a more aggressive FLAF.



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**Respondent:** Eugene J. Goldrick  
**Title:** Senior Staff Consultant – Service  
Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-9 Please provide the complete analysis of variance results for the regression discussed on pages 55-56 of the Hot Cut Testimony.

**REPLY:** The attached file contains the complete analysis of variance results for the regressions.



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regressions\_for\_stud

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**D.T.E. 03-60**

**Respondent:** Eugene J. Goldrick  
**Title:** Senior Staff Consultant – Service  
Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-10 Please provide all validations performed on the survey process estimates using WFA-DI, noted on page 56, lines 16-17 of the Hot Cut Testimony.

**REPLY:** WFA-DI, as indicated in the scalability model, identified for the basic process 28 minutes in the central office frame when cutting over a non-IDLC loop. The survey process indicated 30.74 minutes for an initial line and 16.71 for an additional line in the basic 2-wire hot cut process. For bulk hot cuts, the survey process identified 27.88 minutes for an initial line and 25.48 for an additional line. These survey time results appeared to be consistent with the average time identified through WFA-DI.

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**Respondent:** Eugene J. Goldrick  
**Title:** Senior Staff Consultant – Service  
Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-11 Please refer to page 57 of the Hot Cut Testimony. Please explain the Company's rationale for using engineers to estimate transfers at the SAI rather than the technicians or the technicians' supervisors, as was done with work time estimates and occurrence estimates.

**REPLY:** Engineers work closely with technicians performing the work and are in the best position to provide time estimates based on their breadth of experience. Engineers are involved with directing technicians to use transfers as a cost effective tool for satisfying the need for facilities on service orders. Moreover, transfers at the SAI are generally not scheduled in the same manner as hot cuts in the central office, thereby rendering impracticable the survey technique used to gather times for the other organizations involved in the hot cut process.

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**D.T.E. 03-60**

**Respondent:** Bruce F. Meacham  
**Title:** Group Manager – Service Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-12 Who performed the estimate of how often a spare copper or UDLC facility would exist as discussed on page 57, lines 7-9 of the Hot Cut Testimony?

**REPLY:** This estimate was developed by the Director of Service Costs Non-Recurring Studies, drawing on his experience as an Outside Plant Engineer. In making this estimate, he consulted with other cost analysts and current outside plant engineering personnel.

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**D.T.E. 03-60**

**Respondent:** Bruce F. Meacham  
**Title:** Group Manager – Service Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-13 Has Verizon performed any estimates of labor rate changes as a function of early retirement incentives? Please provide all studies that have been performed. If no actual studies have been undertaken, is it Verizon's position that the rates, as calculated using the process described on pages 57-59 of the Hot Cut testimony, will not change?

**REPLY:** Verizon's labor rates were calculated from base year 2002 expense data and, as such, do not reflect any changes resulting from early retirement incentives in 2003. It is Verizon's position that the actual labor rate will not significantly vary from the estimate used in the cost studies.

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**D.T.E. 03-60**

**Respondent:** Bruce F. Meacham

**Title:** Group Manager – Service Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-14 How were the hiring plans discussed in the scalability analysis, page 66 of the Hot Cut Testimony, factored into the labor rates? Were vacation overheads adjusted for the new hires? If so, how?

**REPLY:** The labor rates used in the Cost Studies as reflected in Exhibit III were based on actual financial data for 2002. They do not reflect any projections for the hiring plans discussed in the Scalability Analysis, page 66 of the Hot Cut testimony.

**Verizon New England Inc.  
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**D.T.E. 03-60**

**Respondent:** Jim McLaughlin  
**Title:** Executive Director - Operations

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-15 Was the training discussed in the scalability analysis used to calculate the training factor discussed on page 69, line 8 of the Hot Cut Testimony?

**REPLY:** Yes. The factor reflects an allocation of time for factors such as sick time, vacations and training. The training included in this factor includes the training that new hires receive.

**Verizon New England Inc.  
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**D.T.E. 03-60**

**Respondent:** Jim McLaughlin  
Kevin Van Inwegen  
**Title:** Executive Director – Operations  
Manager – Wholesale

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-16 Will training for the batch hot cut process be centralized for multiple states, or will training personnel be sent to remote locations?

**REPLY:** Training for the technicians will be done regionally. In Massachusetts, the training center in Marlboro will be the location for the two-week basic frame course. Training will also be conducted on the job by local supervisors.

Training personnel will be sent to the NMC & RCCC located in Boston to train the service representatives.



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**D.T.E. 03-60**

**Respondent:** Caroline Gan  
**Title:** Director - Wholesale

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-17 Does the WPTS system discussed on page 21 of the Hot Cut Testimony process Verizon-MA hot cuts only, or does it process other states' hot cuts as well? If WPTS serves multiple states, please identify the states and provide the volumes appropriate to the increased load on the system.

**REPLY:** WPTS processes hot cuts for these other states in the Verizon footprint: Maine, Rhode Island, Vermont, New Hampshire, Connecticut, New York, Pennsylvania, New Jersey, Delaware, West Virginia, Virginia, Maryland, Washington DC, Hawaii, California, Florida, Texas, Arizona, Nevada, Idaho, Washington, Michigan, Indiana, Ohio, Illinois, Wisconsin, North Carolina, Oregon and South Carolina.

Verizon does not have volumes available related to increased system load. These volumes will depend on a number of factors, including but not limited to regulatory decisions and commercial demand for hot cuts. The system design is highly scalable and can respond to increases in demand.

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**D.T.E. 03-60**

**Respondent:** Marion Jordan  
**Title:** Vice-President - Wholesale

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-18 Does Verizon-MA have a dedicated electronic ordering system to handle Verizon-MA hot cuts (dedicated hardware and software)? If the answer is no, please provide the total Verizon data that would correspond to the Verizon-MA data provided in the scalability testimony.

**REPLY:** Verizon MA does not have a dedicated electronic ordering system to handle Verizon MA hot cuts. The total Verizon data that would correspond to the Verizon MA data provided in the scalability testimony is not readily available. The demand on the system will depend on a number of factors, including but not limited to regulatory decisions and commercial demand for wholesale and retails products.

**Verizon New England Inc.  
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**D.T.E. 03-60**

**Respondent:** Dr. William Taylor  
**Title:** NERA-

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-19 Has Dr. Taylor performed his analysis for other Verizon entities?  
Has a total impact on Verizon systems been determined? Please  
provide the summarized data at the level that matches the system  
that will be processing it.

**REPLY:** Dr. Taylor has performed his analysis for other Verizon states. He  
has not undertaken any assessment of “total impact on Verizon  
systems.”

**Verizon New England Inc.  
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**D.T.E. 03-60**

**Respondent:** Caroline Gan  
**Title:** Director - Wholesale

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-20 Are the work centers mentioned in the scalability analysis dedicated to Verizon-MA orders? For any work centers serving multiple states, please provide estimates of the total change in load that will be experienced by the center.

**REPLY:** The work centers mentioned in the scalability analysis are not dedicated to Verizon MA orders.

Verizon does not have data available regarding “total change in load” for these work centers. The work load will depend on a number of factors, including but not limited to regulatory decisions and commercial demand for wholesale products.

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**D.T.E. 03-60**

**Respondent:** Caroline Gan  
**Title:** Director - Wholesale

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-21 What percentage of Verizon's management force subscribed to the recent retirement offer? Please provide both Verizon-MA and total Verizon wireline data.

**REPLY:** A total of 21,600 Verizon employees subscribed to the recent retirement offer, including 5,600 union-represented employees that left the payroll as a result of the recent voluntary separation offers. This is less than 10 percent of Verizon's total employee base.

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**D.T.E. 03-60**

**Respondent:** Bruce F. Meacham  
**Title:** Group Manager – Service Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-22 What impact will the recent retirements have on overhead? Have any studies or estimates been undertaken to quantify the impacts? Please provide all such data.

**REPLY:** Verizon's common overhead costs used in the cost studies are as approved by the DTE in Docket 01-20. No attempt was made in this case to recalculate these common overheads or other cost factors on the basis of more recent data nor to project any changes into the future.

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**D.T.E. 03-60**

**Respondent:** Bruce F. Meacham

**Title:** Group Manager – Service Costs

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-23 What is the basis for the 2.5 year forecasted life discussed on page 64, line 6 of the Hot Cut Testimony? Please provide all studies and backup supporting this factor.

**REPLY:** Verizon used the same 2.5 year forecasted life that was used to discount the forward-looking disconnect non-recurring costs approved by the Department in D.T.E. 01-20.

**Verizon New England Inc.  
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**D.T.E. 03-60**

**Respondent:** Julie Canny

**Title:** Executive Director - Wholesale

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-24 Which of the Massachusetts Carrier-to-Carrier Guidelines and performance metrics will apply to the Company's proposed batch hot cut process?

**REPLY:** The current Hot Cut metrics do not apply to the proposed batch hot cut process. The definition in the Carrier-to-Carrier Guidelines states: "A coordinated cut-over is the live manual transfer of a VZ end user to a CLEC completed with manual coordination by VZ and CLEC technicians to minimize disruptions for the end user customer. Also known as a Hot Cut. These all have fixed minimum intervals."

However, numerous other Carrier-to-Carrier Metrics would apply, unless excluded by definition or through the provisions of Appendix S. Please see the next page for a list of performance metrics that could apply to batch hot cuts.



Metric	Metric Name	Product/Service GroupType	MA
MR-2-02	Network Trouble Report Rate – Loop	UNE Loop	x
MR-2-03	Network Trouble Report Rate – Central Office	UNE Loop	x
MR-2-04	% Subsequent Reports	UNE Loop	x
MR-2-05	% CPE/TOK/FOK Trouble Report Rate	UNE Loop	x
MR-3-01	% Missed Repair Appointment – Loop	UNE Loop	x
MR-3-02	% Missed Repair Appointment – Central Office	UNE Loop	x
MR-3-03	% CPE/TOK/FOK - Missed Appointment	UNE Loop	x
MR-4-01	Mean Time To Repair – Total	UNE Loop	x
MR-4-02	Mean Time To Repair – Loop Trouble	UNE Loop	x
MR-4-03	Mean Time To Repair – Central Office Trouble	UNE Loop	x
MR-4-04	% Cleared (all troubles) within 24 Hours	UNE Loop	x
MR-4-07	% Out of Service > 12 Hours	UNE Loop	x
MR-4-08	% Out of Service > 24 Hours	UNE Loop	x
MR-5-01	% Repeat Reports within 30 Days	UNE Loop	x
OR-1-02	% On Time LSRC – Flow Through	UNE Loop/Pre-qualified Complex/LNP	x
OR-1-04	% On Time LSRC/ASRC - No Facility Check	UNE Loop/Pre-qualified Complex/LNP	x
OR-1-06	% On Time LSRC/ASRC - Facility Check	UNE Loop/Pre-qualified Complex/LNP	x
OR-2-02	% On Time LSR Reject - Flow Through	UNE Loop/Pre-qualified Complex/LNP	x
OR-2-04	% On Time LSR/ASR Reject - No Facility Check	UNE Loop/Pre-qualified Complex/LNP	x
OR-2-06	% On Time LSR/ASR Reject - Facility Check	UNE Loop/Pre-qualified Complex/LNP	x
OR-6-01	% Service Order Accuracy*	UNE Loop/Pre-qualified Complex/LNP	x
OR-6-03	% Accuracy - LSRC	UNE Loop/Pre-qualified Complex/LNP	x
OR-7-01	% Order Confirmation/Rejects sent within 3 Business Days	UNE Loop/Pre-qualified Complex/LNP	x
PR-4-02	Average Delay Days – Total	UNE POTS	x
PR-4-03	% Missed Appt. – Customer	UNE POTS	x
PR-8-01	Open Orders in a Hold Status > 30 Days	UNE POTS	x
PR-8-02	Open Orders in a Hold Status > 90 Days	UNE POTS	x
PR-1-03	Av. Interval Offered - Dispatch (1-5 Lines) - Loop	UNE POTS – Loop	x
PR-1-04	Av. Interval Offered - Dispatch (6-9 Lines) - Loop	UNE POTS – Loop	x
PR-1-05	Av. Interval Offered - Dispatch (>= 10 Lines) - Loop	UNE POTS – Loop	x
PR-5-01	% Missed Appointment – Verizon – Facilities - Loop	UNE POTS – Loop	x
PR-5-02	% Orders Held for Facilities > 15 Days - Loop	UNE POTS – Loop	x
PR-5-04	% Orders Cancelled (> 5 days) after Due Date - Due to Facilities - Loop	UNE POTS – Loop	x
PR-6-01	% Installation Troubles reported within 30 Days - Loop	UNE POTS – Loop	x
PR-6-03	% Installation Troubles reported within 30 Days - FOK/TOK/CPE – Loop	UNE POTS – Loop	x
OR-4-11	% Completed orders with neither a PCN nor BCN sent	UNE	x
OR-4-16	% Provisioning Completion Notifiers sent within one (1) Business Day	UNE	x
OR-4-17	% Billing Completion Notifiers sent within two (2) Business Days	UNE	x
OR-5-01	% Flow Through - Total	UNE	x
OR-5-03	% Flow Through Achieved	UNE	x

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**D.T.E. 03-60**

**Respondent:  
Title:**

**REQUEST:** Attorney General Set #2

**DATED:** November 21, 2003

**ITEM:** AG Set 2-25 What remedies will consumers have if their service is interrupted while subject to the Company's proposed batch hot cut process?

**REPLY:** Verizon MA objects to this request on the grounds that it asks for information that is not relevant to the triggers analysis at issue in this proceeding and is not reasonably calculated to lead to the discovery of admissible evidence.

Notwithstanding its objection, Verizon states that the batch hot cut process is a wholesale service provided to carriers and not to retail customers. Verizon's failure to meet wholesale performance standards as established by the Department are subject to potential remedies to the carriers who obtain the services.